

# ***Headquarters U.S. Air Force***

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## **What's Next For A-76?**



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# ***Commercial Activities Panel (CAP) Report***

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- **A-76 turbulence**
  - **High-profile studies—GAO protests and Congressionals**
  - **Industry and Unions complained about fairness**
  - **Unions upset about “equal ability” to protest**
  - **Different “rules” for Contractor and Government Bids**
- **2001 NDAA directed Comptroller General to convene Commercial Activities Panel (CAP)—Cross-functional Government and Industry Representation**
  - **Mission**
    - **Improve the current sourcing framework**
    - **Reflect balance among taxpayers, government needs, employees, contractors**
  - **Findings had to meet two-thirds consensus**
  - **Public hearings**
  - **Researched outsourcing in other sectors**



# ***CAP Report (cont'd)***

## **■ CAP Recommendations**

### **■ Conduct current A-76 by improving**

- Auditing**
- Cost Accounting**
- Conflicts of interest issues**
- Binding Performance Agreements**

### **■ Conduct comparisons under FAR framework**

- Change current laws where applicable**

## **■ Implementation Strategy**

- OMB develop FAR type integrated process procedures**
- Within one year of demonstration process, OMB submits a report to Congress – GAO provides independent review**
- Congress determines need for new legislation**



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# ***Process Changes OMB Has Proposed For A-76***

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- **Designed to expand public-private competition, strengthen accountability, and rely more on FAR-type principals**
- **Considers all activities “commercial” unless otherwise justified**
- **Requires full accountability of agency officials**
- **Recommends timeline from public announcement to performance decision be 12 months**
  - **Drives improved preliminary planning**
  - **Solicitation out within 8 months of announcement**
- **Mandates competition of commercial-type ISSAs over \$1M**
- **Source Selection Authority evaluates all offers and Treats MEO Like Contractor -- May Require Change to 10 USC 2462(a)**
- **Limits source selection strategy to Low Price, Technically Acceptable (LPTA) or Cost/Technical Trade-off (CTTO)**



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# ***OSD/OMB Candidate Goals (MID 907)***

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- **Competitive Sourcing is one of the Five President's Management Agenda Items**
- **OMB Desire to Generate Competition**
- **DoD Candidate Quota 226K Completed by FY09**
  - **FY 00 FAIR Inventory as Baseline (452K)**
  - **Key interim goal 15% by the end of FY 03**
  - **Allow 50K as Mil to Civ Conversions**
- **Air Force Breakout Share (45K)+ → (52K?)**
  - **Have 23,664 candidates already scheduled**
  - **Expect 26.4K additional to accomplish total goal**
  - **Work with MAJCOMs to Identify Candidates**
    - **Core Competencies? IGCA Inventory?**



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# ***MID 907 Summary***

## **MID 907 – Commercial Activities and Competitive Sourcing Programs**

	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Current Program</b>	<b>227</b>	<b>1887</b>	<b>1387</b>	<b>147</b>	<b>1048</b>	<b>815</b>	<b>1519</b>
<b>FTEs added</b>	<b>0</b>	<b>+1100</b>	<b>+4047</b>	<b>+4047</b>	<b>+4047</b>	<b>+4047</b>	<b>+4047</b>
<b>*FTEs may add</b>	<b>0</b>	<b>0</b>	<b>*1000</b>	<b>*1000</b>	<b>*1000</b>	<b>*1000</b>	<b>*1000</b>
<b>Study \$ (in Millions)</b>	<b>0.0</b>	<b>3.3</b>	<b>15.14</b>	<b>15.14</b>	<b>15.14</b>	<b>15.14</b>	<b>15.14</b>

### **Action Item**

- **AF directed to compete 45,000 Full-Time Equivalent (FTE) positions by FY09.**
- **\*MID stated additional 22,000 FTEs will be allocated to DoD Services/Agencies in the FY05 APOM. Estimate of 5,000 FTEs included above, as probable AF cut.**
- **AF has already completed and/or programmed the competition of 23,664 FTEs thru FY09. An additional 26,336 FTEs need to be competed to meet the 50,000 FTE candidate bogey. Cost to study/compete is \$3K per FTE, so total of \$79M is required through FY09 to fund studies of the additional 26,336 FTEs.**



# ***Possible Execution Strategy***

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- **Centralized Definition and Coding of IGCA Inventory thru Core Competency Review – No County Options**
- **Centrally Managed Study Schedule**
- **Centralized A-76 Strike Teams for Studies > 100 FTEs**
- **Re-invest Savings with MAJCOMs and Installations**



# ***Centralized “Strike Teams”***

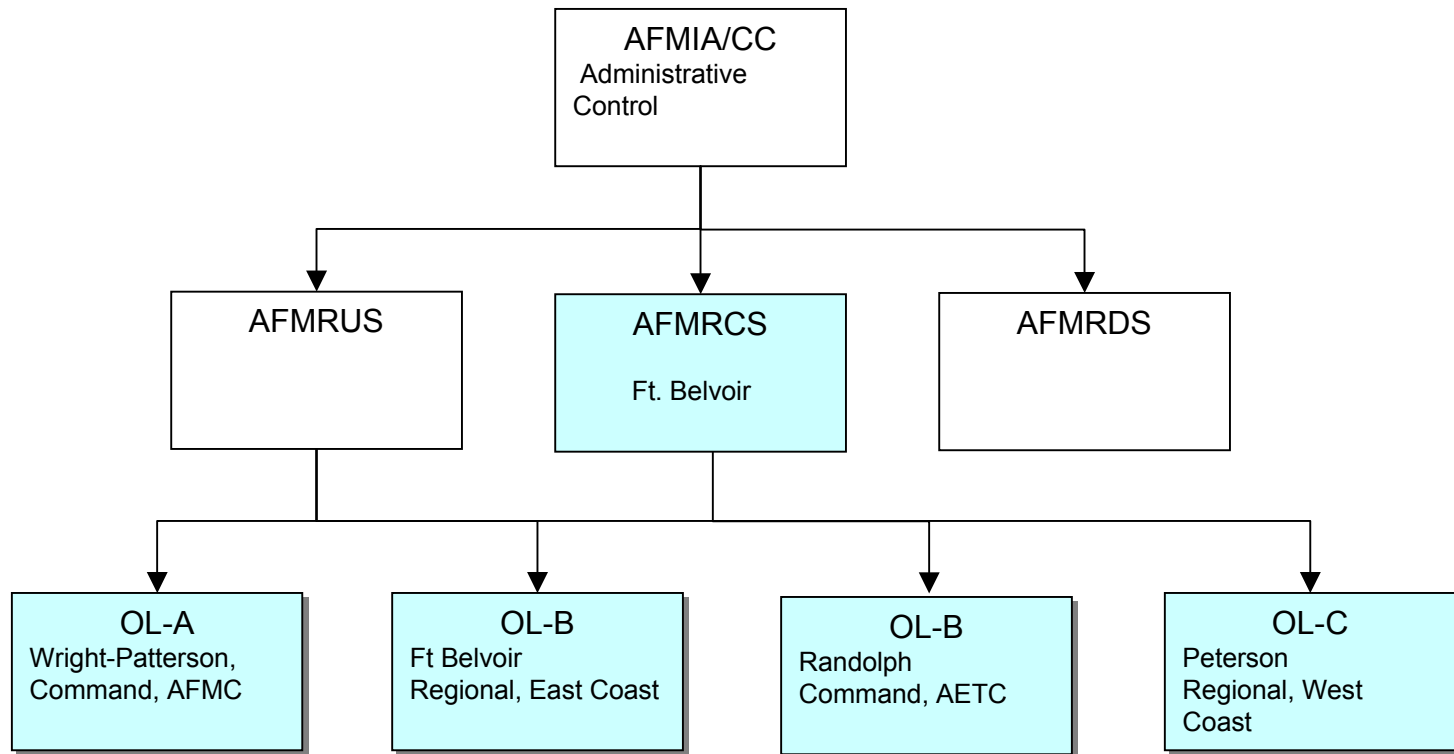
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- **Responsible for managing overall AF A-76 schedule – provide “on the ground” support – “lead and do”, not merely “facilitate”**
- **Comprised of experienced cadre of A-76 personnel**
  - **Manpower, Contracting, Functional**
- **Focus is on larger, complex studies > 100 FTEs**
- **Will work with MAJCOMs, Installations, Functionals, AFAA and AFPEO/SV to accomplish the eight major phases of A-76 initiative:**
  - **Project Scope Inventory Analysis, Market Research, Labor Market Analysis, CME Analysis, SOW Development, Data Collection, Cost Estimate Development, and Transition Planning**
- **Results in a solid candidate announcement package ready for execution and 50% reduction in cycle time**
- **MAJCOMs/Installations still responsible for smaller studies and all MEO development**
- **Current “Proof of Concept” being conducted**



# Competitive Sourcing Centralized “Strike Teams”





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# *Incentives for MAJCOMS and Installations*

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- Old Process Provided *Disincentive* for Producing Efficiencies
  - Took Manpower and Dollars Away from Commanders
  - Arbitrary Targets...A-76 the Only “Counted” Efficiency
    - Costly in Day-to-Day Resources, Morale, etc
- Better to *Incentivize Installations* to be Efficient
  - Manage by Overall Personnel Costs per Installation
    - Military/Civilian/Contractor Workforce
  - MAJCOMs/Installations Keep the Savings when Efficiencies Achieved
    - Fold into Quality of Life projects, Infrastructure Recapitalization, etc.
- Installations, Communities See Direct Benefit—”Buy In” by All



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# Prediction

- **A-76 will not go away--administration likes “competition”**
- **A-76 process will look different in the future**
  - **Process will be more “FAR-like”--MEO added to the mix**
  - **More emphasis on preliminary planning**
- **Core competency review should create inventory shifts**
- **Process steps reshuffled; some steps may use centralized approach**

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## **Questions?**



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